



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

April 17, 2009

Jill Phillips, Senior Manager, Resources and Administration
ExpressJet Airlines, Inc.
17445 John F. Kennedy Boulevard
Houston TX 77032-6029

Dear Ms. Phillips:

RE: **FINAL MONITORING REPORT** for ExpressJet Airlines (ExpressJet) – ET07-0363

Date of the Visit:	04/13/09
Beginning/Ending Time:	9:30 a.m. – 10:00 a.m.
Date of Last Visit:	08/28/08
Visit Location:	Via Teleconference
Persons in attendance:	Jill Phillips, Senior Manager, Resources and Administration ExpressJet; and Carole Robinson ETP Contract Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	04/30/07 – 04/29/09	Agreement Amount:	\$1,388,400
Training Start Date:	04/30/07	No. to Retain:	475
Date Training must be Completed:	01/28/09	Job 1:	237
Type of Trainee:	Retrainee	Job 2:	
		Range of Hours:	24 - 200
		Weighted Ave. Hours:	130
		Job 1:	130
		Job 2:	

SACRAMENTO CENTRAL OFFICE
1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

www.etp.ca.gov
ETP (04/15/05)

FINAL REPORT SUMMARY:

• **HISTORY OF AGREEMENT CHANGES**

The Agreement was executed on 06/12/07 and training began on 04/30/07. You reported that all training was completed on 03/07/08, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement (04/29/09).

There were no Revision Requests made to the agreement.

• **INTERVIEW WITH COMPANY REPRESENTATIVE**

You reported no major difficulties with the administration of the Agreement. In fact, you stated that, compared to other state's training programs in which ExpressJet has participated, California's was the easiest to use for enrollment and tracking using the ETP On-line Systems. You stated that, overall, the experience with the ETP funded training was very positive but its success is difficult to assess given ExpressJet's inability to take full advantage of the funds encumbered for this Agreement.

You informed Ms. Robinson that even though the company anticipated that it would continue to deliver training after 03/07/08, ExpressJet's California operations were hit hard in the last two years by the nationwide increase in oil prices. As a result, the company discontinued its scheduled commuter flights and only maintains charter flight operations in Ontario, California with minimal staffing at that location. ExpressJet's other operations do remain active out of Houston, Texas.

According to ETP records at the time of this final meeting, ExpressJet retained 60 employees (8% of planned retention). Based on ETP fiscal records, ExpressJet has earned a total reimbursement of \$124,344 (9 percent of the encumbered amount). You stated that the company submitted its final Invoice on 09/18/08 but did not check the Closeout box. Ms. Robinson informed ETP's Fiscal Unit that it should be deemed the final invoice for the agreement and was informed that it would be treated as the Closeout Invoice for the ETP Agreement.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:		Completed Training:	
Job 1	89	Job 1	57
Job 2	14	Job 2	3
Trainees Enrolled:		Completed Retention:	
Job 1	84	Job 1	57
Job 2	14	Job 2	3
Dropped Following Enrollment:		In Retention Period:	
Job 1	27	Job 1	0
Job 2	11	Job 2	0
No. Completed Minimum Reimbursable Hours :			
Job 1	57		
Job 2	3		

ATTENDANCE ROSTERS/INVOICES:

Ms. Robinson conducted a desk review of faxed rosters for all class/lab attendance for five randomly selected trainees who are enrolled in Job 1. She compared the rosters to the Agreement's Curriculum and checked to ensure that each roster contained the necessary information required by ETP, under Title 22, California Code of Regulations, 4442. In addition, she compared the number of training hours in ExpressJet's tracking records for the five retrainees selected with the number of training hours documented on the applicable Class/lab Rosters.

Ms. Robinson found that the records reviewed for the five selected retrainees contained the necessary information required by ETP and the Class topics matched those contained in the Agreement's Curriculum. The review of the above sample also verified that the hours reported on ExpressJet's tracking records matched those contained within the applicable Class/lab Rosters.

SUBAGREEMENTS:

You reported that all subagreements with outside vendor relating to the delivery of training were provided during previous Monitoring Visit. The required information for training subagreements have previously been entered on the Subcontractor List, ETP 100D via ETP's on-line system.

AUDIT:

ExpressJet will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

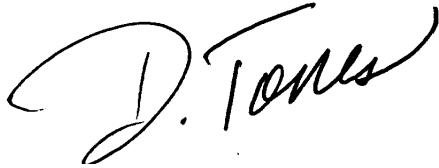
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information contained in this letter, please contact Carole Robinson at (619) 686-4971, within ten (10) working days from the receipt date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Torres". The signature is fluid and cursive, with a large initial "D" and a stylized "Torres".

Diana Torres, Manager
San Diego Field Office

A handwritten signature in black ink, appearing to read "Carole Robinson". The signature is cursive and elegant, with a large initial "C" and a stylized "Robinson".

Carole Robinson, Contract Analyst
San Diego Field Office

cc: Kulbir Mayall, Manager, ETP Fiscal Unit
Master File
SD Project File

Date report mailed to Contractor 04/17/09